



RESOLUTION

AMENDING THE CITY AND COUNTY OF HONOLULU FUEL TAX.

WHEREAS, the provisions of Section 243-5, Hawaii Revised Statutes (HRS), enable, empower and authorize the Council of the City and County of Honolulu to determine the amount of the county fuel tax; and

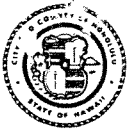
WHEREAS, the section provides that the amount of the county fuel tax shall be determined by resolution to be adopted by the Council in the manner provided by law relating to resolutions involving the expenditure of public money, and the amount so fixed may be, per gallon, one or more cents or a fraction of a cent or both, or zero; and

WHEREAS, the section further provides that no such resolution shall be adopted until the Council has conducted a public hearing on the amount of the proposed tax after public notice of the hearing is given in the City and County of Honolulu at least twice within a period of thirty (30) days immediately preceding the date of such hearing; and

WHEREAS, the existing county fuel tax imposed upon the sale or use of gasoline and other liquid fuel has been and is now set at sixteen and one-half cents (16 ½¢) per gallon by Resolution 89-92; and

WHEREAS, Act 143, Session Laws of Hawaii 2001, encourages the use of transportation fuels, other than fossil fuel, by, in part,

- (1) Lowering the state fuel tax on alternative fuels by calculating the tax on the basis of the lower energy content of the alternative fuel, as compared to diesel fuel; and
- (2) Authorizing the county fuel tax to be proportional to the energy content of the fuels, as determined by their lower heating value, times one-half;



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and

WHEREAS, Section 2 of Act 143, Session Laws of Hawaii 2001, which amended HRS Section 243-1, established a definition of "alternative fuel" which includes, but is not limited to, biodiesel and mixtures containing twenty per cent or more by volume of biodiesel with diesel or other fuels; and

WHEREAS, Section 4 of Act 143, Session Laws of Hawaii 2001, amended HRS Section 243-5 to provide that the City and County of Honolulu fuel tax amount fixed for alternative fuels may be proportional to the energy contents of the fuels, as determined by their lower heating values, times one-half; and

WHEREAS, biodiesel fuel, which is made from vegetable oil or soybeans, offers significant advantages, which include, but are not limited to, the following:

- (1) Biodiesel can be used in diesel engines in heavy duty vehicles such as buses, large trucks and boats;
- (2) Biodiesel burns cleaner than regular diesel fuel, produces less soot and smoke, and reduces cancer-causing emissions;
- (3) Biodiesel can be used in pure form or blended with regular diesel in any proportion;
- (4) Biodiesel engine exhaust is less malodorous than diesel engine exhaust;
- (5) Biodiesel is a renewable, nontoxic and biodegradable transportation fuel that can help create new jobs, bio-refineries and domestic markets for Hawaii products; and
- (6) Biodiesel can enhance America's energy supply, lessen our country's dependence on foreign oil, help the



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economy, provide cleaner air, and reduce greenhouse gases;

and

WHEREAS, the Council finds that a lower county fuel tax rate for biodiesel and biodiesel blends would remove a major impediment to the use of these alternative fuels; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it establishes the county fuel tax rate for biodiesel fuel and mixtures containing twenty per cent or more by volume of biodiesel with diesel or other fuels at eight and one-fourth cents (8 1/4¢) per gallon, and establishes the county fuel tax rate for all other liquid fuels subject to the City and County of Honolulu fuel tax in Section 243-5, Hawaii Revised Statutes, at sixteen and one-half cents (16 1/2¢) per gallon; and

BE IT FURTHER RESOLVED that Resolution 89-92 is hereby superseded; and

BE IT FURTHER RESOLVED that the fuel tax rates established herein shall be levied and collected by the Department of Taxation of the State of Hawaii, in accordance with law; and

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to transmit this resolution to the Mayor for the Mayor's decision in the same manner as provided for bills in Section 3-203, Revised Charter of Honolulu 1973; provided that the effective date of this resolution shall be as prescribed by HRS Section 243-5 which is: "If such resolution is adopted, it shall take effect on the first day of the second month following the date of adoption of the resolution"; and



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 02 - 55

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BE IT FINALLY RESOLVED that the Clerk is hereby instructed and directed to send a copy of this resolution when it has been adopted as provided by law to the State Director of Taxation and the State Director of Finance.

INTRODUCED BY:

Steve Holmes
[Signature]
Duke B.
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Councilmembers

DATE OF INTRODUCTION:

FEB 26 2002

Honolulu, Hawaii

APPROVED this 18th day of December, 2003, ~~XXXX~~.

[Signature]

JEREMY HARRIS, Mayor
City and County of Honolulu

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

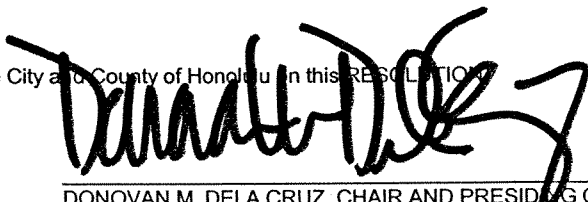
RESOLUTION 02-55

INTRODUCTION DATE: 2/26/02				
INTRODUCED BY: STEVE HOLMES				
		AYE	NO	A/E
1ST READING DATE: 3/13/02 REMARKS: Felix/Okino – Resolution passed 1st reading and referred to Budget. – 9.	BAINUM	X		
	CACHOLA	X		
	DeSOTO	X		
	FELIX	X		
	HOLMES	X		
	KOBAYASHI	X		
	MANSO	X		
	OKINO	X		
	YOSHIMURA	X		
	TOTAL	9	0	0
2ND READING DATE: 11/5/03 DRAFT: COMMITTEE REPORT: BCR-375 PUBLIC HEARING: 11/5/03 REMARKS: Kobayashi/Marshall - Resolution passed 2nd reading. - 8. Excused: Cachola. - 1. Public hearing held concurrently, closed and referred to Budget.	CACHOLA			E
	DELA CRUZ	X		
	DJOU	X		
	GABBARD	X		
	GARCIA	X		
	KOBAYASHI	X		
	MARSHALL	X		
	OKINO	X		
	TAM	X		
	TOTAL	8	0	1
3RD READING DATE: 12/3/03 DRAFT: COMMITTEE REPORT: BCR-465 REMARKS: Kobayashi/Marshall – Resolution passed 3rd reading. – 9.	CACHOLA	X		
	DELA CRUZ	X		
	DJOU	X		
	GABBARD	X		
	GARCIA	X		
	KOBAYASHI	X		
	MARSHALL	X		
	OKINO	X		
	TAM	X		
	TOTAL	9	0	0

Referred to: BUDGET
Reference:

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu in this RESOLUTION.


DENISE C. DE COSTA, CITY CLERK


DONOVAN M. DELA CRUZ, CHAIR AND PRESIDING OFFICER